



Orange County Transportation Authority's

Federal Transit Administration (FTA) - Overall DBE
Goal Setting Methodology

for

**Federal Fiscal Years 2022- 2024
Goal Period**

Submitted in fulfillment of:

*Section 1101 of the Transportation Equity Act for the 21st Century
49 Code of Federal Regulations Part 26*

and

Federal Register / Vol. 75, No. 22 [Docket No. OST-2010-0021]

This analysis is prepared exclusively for OCTA; it is non-transferable and is not to be duplicated.

**ORANGE COUNTY TRANSPORTATION AUTHORITY
DISADVANTAGED BUSINESS ENTERPRISE
PROPOSED OVERALL GOAL AND METHODOLOGY
FOR
Federal Fiscal Year Period 2022/24
(October 1, 2021 to September 30, 2024)**

I. INTRODUCTION

The Orange County Transportation Authority (OCTA) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Goal for DBE participation as a condition of receiving federal assistance, pursuant Moving Ahead for Progress in the 21st Century; 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs” and the Federal Transit Administration (FTA) Master Funding Agreement.

II. BACKGROUND

Effective March 3, 2010, the United States Department of Transportation (“DOT”) issued a final rule affecting the implementation and management of the DOT’s DBE program. The final rule requires submission of a goal-setting methodology on a three-year cycle. Pursuant to this final rule, OCTA is also required to conduct an annual review to account for changes that may warrant an adjustment to the overall goal or make an adjustment based on changed circumstances (i.e., significant change in the legal standards governing the DBE program, new contracting opportunities presented by the availability of new or different grant opportunities, etc.) to ensure the goal and program as a whole are narrowly tailored throughout the goal period. Under the three-year schedule, OCTA’s DBE goal and methodology submission is due to FTA on August 1, 2021 for proposed FTA-funded contracting activities for the three Federal Fiscal Years (FFY) 2022-2024.

OCTA herein presents its Proposed Overall DBE Goal Methodology for FFY 2022/24 goal period, which resulted in an 11 percent Overall DBE Goal.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2022/24

Table 1 represents OCTA’s U.S. DOT-assisted (FTA) defined contracting program, which includes projects considered in preparing its **Proposed Overall DBE Goal-Setting Methodology**. The projects have viable subcontracting possibilities and corresponding availability of DBEs, a required criterion for Overall Goal consideration, and are anticipated to be awarded within the respective goal period.

Table 1

Project	Estimated Cost
OC ACCESS and Microtransit Services	\$ 33,136,432.00
CNG Equipment Operation and Maintenance	\$ 264,826.00
Contracted Fixed Route Services	\$ 37,713,447.00
Video Surveillance Services for Placentia Metrolink Station	\$ 750,000.00
Park & Ride Transportation Modernization	\$ 200,000.00
ACCESS Vocational Visions	\$ 1,399,209.00
JARC Operating - Abrazar, Women Helping Women, Boys and Girl	\$ 117,662.00
Electrical Service Hydrogen Fueling Station	\$ 425,000.00
HVAC Unit at Anaheim Bus Base	\$ 500,000.00
Fire Alarm Control Panel Replacement	\$ 300,000.00
Restroom Improvements FPR	\$ 300,000.00
Transit Security & Operations Center (TSOC) Construction	\$ 35,000,000.00
Bus Wash Building Interior Santa Ana	\$ 300,000.00
Fuel Building Repair Irvine Construction Circle	\$ 350,000.00
Replace Drainage Systems Repairs	\$ 150,000.00
Security Gates Anaheim, Santa Ana	\$ 2,960,000.00
Laguna Niguel to San Juan Passing Siding - Design Services	\$ 50,000.00
Laguna Niguel to San Juan Passing Siding - SCRRA Support Services	\$ 110,000.00
Laguna Niguel to San Juan Passing Siding - Construction Supp	\$ 550,000.00
Laguna Niguel to San Juan Passing Siding - Construction Manual	\$ 500,000.00
San Juan Creek Bridge Replacement - Project Management	\$ 100,000.00
San Juan Creek Utility Relocation Work	\$ 500,000.00
Anaheim Canyon Metrolink Station - Design Revisions	\$ 140,000.00
Orange County Stations Rehabilitation Project - Construction	\$ 100,000.00
CNG Fuel Facility O&M at Irvine Circle Bus Base	\$ 677,160.00
Temperature Check Screening	\$ 250,000.00
Construction Management Services - Facilities Engineering	\$ 1,000,000.00
OC Streetcar - Operations and Management Contract	\$ 2,819,747.00
OC Streetcar Legal Services-Claims, Mediation, ROW Legal	\$ 600,000.00
Ridership Program Consulting Services	\$ 400,000.00
OC Streetcar - Permit Fees	\$ 400,000.00
Placentia Metrolink Station - Construction	\$ 25,000,000.00
Janitorial Services	\$ 1,258,030.00
Public Awareness Service for OC Streetcar	\$ 550,000.00
OC Streetcar Safety and Public Education Consultant Services	\$ 700,000.00
Employer Rideshare Outreach Program	\$ 206,080.00
Ridership Program Consulting Services	\$ 400,000.00
Total:	\$150,177,593.00

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish OCTA's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on OCTA's FFY 2022/24 FTA-assisted contracting opportunities projected to be solicited during the respective goal period, OCTA followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the **California Unified Certification Program (CUCP) Directory of Certified DBE Firms** and the **2019 U.S. Census Bureau County Business Patterns (CBP) Database**. Comparisons were made within OCTA's market area (defined as Orange, Los Angeles, Riverside and San Bernardino counties) and by specified industries and types of businesses identified in **Table 2**. OCTA's local market was determined by identifying where the substantial majority of OCTA's contracting dollars are expended and/or where the substantial majority of contractors' and subcontractors' bids or quotes are received.

OCTA made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to **Table 2** below.

- ⇒ **For the numerator: California UCP DBE Database of Certified Firms**
- ⇒ **For the denominator: 2019 U.S. Census Bureau's Business Pattern Database (CBP)**

To determine the relative availability of DBEs, OCTA divided the numerator² representing the ratio of ready, willing, and able DBE firms, by the denominator³ representing all firms (DBE and Non-DBEs) available in each work category, see below:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms}} = \text{DBE Availability \%}$$

(Including DBEs and Non-DBEs)

To determine the appropriate weighting percent by NAICS, the estimated dollar value by NAICS was divided by the total estimated federal dollars for FFY 2022/24. The weighting percent by NAICS was then multiplied by the DBE Availability % to determine the Base Figure % by NAICS, see below:

$$\text{Weighting} \quad \times \quad \text{DBE Availability \%} \quad = \quad \text{Base Figure \% by NAICS}$$

To determine the Step 1 Base Figure, OCTA added together all Base Figure % by NAICS in **Table 2** below, resulting in a 12.39 percent that was multiplied by 80 percent, (to account for 20 percent Prime performance required on most OCTA contracts) to produce a Step 1 Base Figure of 8.4 percent.

¹ 26.45 represents Title 49 CFR Part 26 regulatory goal setting methodology reference.

² Numerator represents all DBE firms established within OCTA's market area.

³ Denominator represents all comparable available established firms within OCTA's market area.

Table 2

NAICS	Description	Value	Weight (B/A)	# of DBE's	# of All Items Census	DBE Availability (D/E)	Base Figure (F x C)
213112	Support Activities for Oil and Gas Operations	\$ 17,500.00	0.01%	1	47	2.13%	0.00%
221210	Natural Gas Distribution	\$ 6,620.65	0.00%	1	123	0.81%	0.00%
221310	Water Supply and Irrigation Systems	\$ 613,750.00	0.41%	19	134	14.18%	0.06%
236220	Commercial and Institutional Building Construction	\$10,300,000.00	6.86%	206	1875	10.99%	0.75%
237110	Water and Sewer Line and Related Structures Construction	\$ 2,552,000.00	1.70%	108	262	41.22%	0.70%
237120	Oil and Gas Pipeline and Related Structures Construction	\$ 120,000.00	0.08%	18	49	36.73%	0.03%
237130	Power and Communication Line and Related Structures Construction	\$ 88,750.00	0.06%	39	170	22.94%	0.01%
237310	Highway, Street, and Bridge Construction	\$ 657,500.00	0.44%	234	246	95.12%	0.42%
237990	Other Heavy and Civil Engineering Construction	\$ 52,500.00	0.03%	153	134	114.18%	0.03%
238110	Poured Concrete Foundation and Structure Contractors	\$ 251,000.00	0.17%	100	647	15.46%	0.03%
238120	Structural Steel and Precast Concrete Contractors	\$ 214,777.06	0.14%	77	200	38.50%	0.05%
238130	Framing Contractors	\$12,000,000.00	7.99%	25	310	8.06%	0.64%
238140	Masonry Contractors	\$ 600,000.00	0.40%	34	476	7.14%	0.03%
238150	Glass and Glazing Contractors	\$ 600,000.00	0.40%	14	335	4.18%	0.02%
238160	Roofing Contractors	\$ 1,225,000.00	0.82%	13	751	1.73%	0.01%
238170	Siding Contractors	\$ 317,500.00	0.21%	1	88	1.14%	0.00%
238210	Electrical Contractors and Other Wiring Installation Contractors	\$13,847,878.41	9.22%	164	3648	4.50%	0.41%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$ 9,921,440.73	6.61%	50	4362	1.15%	0.08%
238290	Other Building Equipment Contractors	\$ 51,800.00	0.03%	17	288	5.90%	0.00%
238310	Drywall and Insulation Contractors	\$ 682,500.00	0.45%	26	782	3.32%	0.01%
238320	Painting and Wall Covering Contractors	\$ 126,302.86	0.08%	44	1471	2.99%	0.00%
238330	Flooring Contractors	\$ 85,000.00	0.06%	13	664	1.96%	0.00%
238340	Tile and Terrazzo Contractors	\$ 35,000.00	0.02%	10	541	1.85%	0.00%
238350	Finish Carpentry Contractors	\$ 5,000.00	0.00%	22	1013	2.17%	0.00%
238390	Other Building Finishing Contractors	\$ 632,750.00	0.42%	27	390	6.92%	0.03%
238910	Site Preparation Contractors	\$ 3,666,750.00	2.44%	138	846	16.31%	0.40%
238990	All Other Specialty Trade Contractors	\$ 2,732,988.54	1.82%	170	1277	13.31%	0.24%
324121	Asphalt Paving Mixture and Block Manufacturing	\$ 8,250.00	0.01%	1	36	2.78%	0.00%
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing	\$ 377,134.47	0.25%	3	73	4.11%	0.01%
327320	Ready-Mix Concrete Manufacturing	\$ 40,000.00	0.03%	3	116	2.59%	0.00%
327991	Cut Stone and Stone Product Manufacturing	\$ 27,500.00	0.02%	0	57	0.00%	0.00%
333618	Other Engine Equipment Manufacturing	\$ 377,134.47	0.25%	0	20	0.00%	0.00%
334310	Audio and Video Equipment Manufacturing	\$ 377,134.47	0.25%	2	62	3.23%	0.01%

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336310	Motor Vehicle Gasoline Engine and Engine Parts Manufacturing	\$ 377,134.47	0.25%	0	69	0.00%	0.00%
336320	Motor Vehicle Electrical and Electronic Equipment Manufacturing	\$ 377,134.47	0.25%	2	42	4.76%	0.01%
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing	\$ 754,268.94	0.50%	1	40	2.50%	0.01%
336390	Other Motor Vehicle Parts Manufacturing	\$ 754,268.94	0.50%	0	123	0.00%	0.00%
339950	Sign Manufacturing	\$ 372,750.00	0.25%	15	298	5.03%	0.01%
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$ 278,346.03	0.19%	2	511	0.39%	0.00%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$ 655,480.50	0.44%	10	1424	0.70%	0.00%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	\$ 27,500.00	0.02%	33	173	19.08%	0.00%
423390	Other Construction Material Merchant Wholesalers	\$ 481,000.00	0.32%	26	170	15.29%	0.05%
423410	Photographic Equipment and Supplies Merchant Wholesalers	\$ 98,475.00	0.07%	6	120	5.00%	0.00%
423420	Office Equipment Merchant Wholesalers	\$ 26,509.15	0.02%	7	362	1.93%	0.00%
423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	\$ 26,509.15	0.02%	24	820	2.93%	0.00%
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	\$ 125,000.00	0.08%	18	706	2.55%	0.00%
423490	Other Professional Equipment and Supplies Merchant Wholesalers	\$ 9,940.93	0.01%	8	122	6.56%	0.00%
423510	Metal Service Centers and Other Metal Merchant Wholesalers	\$ 259,000.00	0.17%	29	678	4.28%	0.01%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	\$ 247,475.00	0.16%	70	1153	6.07%	0.01%
423690	Other Electronic Parts and Equipment Merchant Wholesalers	\$ 56,250.00	0.04%	20	1308	1.53%	0.00%
423720	Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers	\$ 60,000.00	0.04%	12	313	3.83%	0.00%
423730	Warm Air Heating and Air-Conditioning Equipment and Supplies Merchant Wholesalers	\$ 145,000.00	0.10%	9	195	4.62%	0.00%
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	\$ 184,163.87	0.12%	31	243	12.76%	0.02%
424690	Other Chemical and Allied Products Merchant Wholesalers	\$ 377,134.47	0.25%	25	512	4.88%	0.01%
424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	\$ 278,346.03	0.19%	16	76	21.05%	0.04%
444110	Home Centers	\$ 28,125.00	0.02%	2	214	0.93%	0.00%
448190	Other Clothing Stores	\$ 23,195.50	0.02%	5	626	0.80%	0.00%
453210	Office Supplies and Stationery Stores	\$ 9,940.93	0.01%	8	353	2.27%	0.00%
484110	General Freight Trucking, Local	\$ 1,360,100.00	0.91%	149	2244	6.64%	0.06%
484220	Specialized Freight (except Used Goods) Trucking, Local	\$ 1,213,750.00	0.81%	384	696	55.17%	0.45%

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485113	Bus and Other Motor Vehicle Transit Systems	\$17,632,580.71	11.74%	3	68	4.41%	0.52%
485119	Other Urban Transit Systems	\$ 1,268,886.15	0.84%	2	3	66.67%	0.56%
485210	Interurban and Rural Bus Transportation	\$ 3,771,344.70	2.51%	1	28	3.57%	0.09%
485310	Taxi Service	\$ 11,766.20	0.01%	1	68	1.47%	0.00%
485991	Special Needs Transportation	\$ 3,810,689.68	2.54%	9	175	5.14%	0.13%
485999	All Other Transit and Ground Passenger Transportation	\$ 29,415.50	0.02%	22	153	14.38%	0.00%
488210	Support Activities for Rail Transportation	\$ 46,750.00	0.03%	21	33	63.64%	0.02%
488490	Other Support Activities for Road Transportation	\$ 803,222.47	0.53%	38	166	22.89%	0.12%
488999	All Other Support Activities for Transportation	\$ 576,573.92	0.38%	11	37	29.73%	0.11%
518210	Data Processing, Hosting, and Related Services	\$ 2,710,769.51	1.81%	70	846	8.27%	0.15%
524126	Direct Property and Casualty Insurance Carriers	\$ 9,500.00	0.01%	6	337	1.78%	0.00%
524210	Insurance Agencies and Brokerages	\$ 9,500.00	0.01%	22	6963	0.32%	0.00%
531390	Other Activities Related to Real Estate	\$ 120,000.00	0.08%	43	1837	2.34%	0.00%
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing	\$ 296,000.00	0.20%	44	211	20.85%	0.04%
541110	Offices of Lawyers	\$ 180,000.00	0.12%	26	11270	0.23%	0.00%
541191	Title Abstract and Settlement Offices	\$ 30,000.00	0.02%	6	125	4.80%	0.00%
541199	All Other Legal Services	\$ 150,000.00	0.10%	19	354	5.37%	0.01%
541211	Offices of Certified Public Accountants	\$ 550,064.77	0.37%	27	3603	0.75%	0.00%
541310	Architectural Services	\$ 350,850.00	0.23%	110	1538	7.15%	0.02%
541330	Engineering Services	\$ 3,584,151.30	2.39%	455	3254	13.98%	0.33%
541340	Drafting Services	\$ 10,950.00	0.01%	188	120	156.67%	0.02%
541350	Building Inspection Services	\$ 117,500.00	0.08%	89	381	23.36%	0.02%
541360	Geophysical Surveying and Mapping Services	\$ 55,550.00	0.04%	19	19	100.00%	0.04%
541370	Surveying and Mapping (except Geophysical) Services	\$ 57,550.00	0.04%	81	176	46.02%	0.02%
541380	Testing Laboratories	\$ 1,351,303.43	0.90%	74	372	19.89%	0.18%
541511	Custom Computer Programming Services	\$ 109,350.23	0.07%	244	3816	6.39%	0.00%
541512	Computer Systems Design Services	\$ 126,725.23	0.08%	292	2722	10.73%	0.01%
541513	Computer Facilities Management Services	\$ 3,747,486.51	2.50%	73	271	26.94%	0.67%
541519	Other Computer Related Services	\$ 115,785.50	0.08%	168	617	27.23%	0.02%
541611	Administrative Management and General Management Consulting Services	\$ 9,375,649.73	6.24%	831	4453	18.66%	1.16%
541613	Marketing Consulting Services	\$ 2,957,128.13	1.97%	277	3191	8.68%	0.17%
541618	Other Management Consulting Services	\$ 501,520.00	0.33%	434	440	98.64%	0.33%
541620	Environmental Consulting Services	\$ 1,896,441.53	1.26%	351	496	70.77%	0.89%
541690	Other Scientific and Technical Consulting Services	\$ 2,343,813.48	1.56%	336	2647	12.69%	0.20%
541715	Research and Development in the Physical, Engineering, and Life Sciences	\$ 18,802.65	0.01%	3			0.00%

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	(except Nanotechnology and Biotechnology)						
541810	Advertising Agencies	\$ 237,500.00	0.16%	89	1100	8.09%	0.01%
541820	Public Relations Agencies	\$ 995,384.32	0.66%	216	790	27.34%	0.18%
541910	Marketing Research and Public Opinion Polling	\$ 331,364.32	0.22%	107	425	25.18%	0.06%
541930	Translation and Interpretation Services	\$ 109,350.23	0.07%	38	260	14.62%	0.01%
541990	All Other Professional, Scientific, and Technical Services	\$ 140,220.90	0.09%	167	1162	14.37%	0.01%
561110	Office Administrative Services	\$ 3,814,487.58	2.54%	124	2420	5.12%	0.13%
561311	Employment Placement Agencies	\$ 1,885,672.35	1.26%	31	589	5.26%	0.07%
561320	Temporary Help Services	\$ 1,100,129.54	0.73%	118	1583	7.45%	0.05%
561422	Telemarketing Bureaus and Other Contact Centers	\$ 5,153,448.94	3.43%	5	181	2.76%	0.09%
561499	All Other Business Support Services	\$ 311,974.70	0.21%	50	212	23.58%	0.05%
561621	Security Systems Services (except Locksmiths)	\$ 149,854.64	0.10%	20	379	5.28%	0.01%
561720	Janitorial Services	\$ 1,258,030.00	0.84%	93	2083	4.46%	0.04%
561730	Landscaping Services	\$ 960,000.00	0.64%	48	2668	1.80%	0.01%
561990	All Other Support Services	\$ 58,500.00	0.04%	62	623	9.95%	0.00%
611430	Professional and Management Development Training	\$ 948,875.63	0.63%	169	253	66.80%	0.42%
611692	Automobile Driving Schools	\$ 218,700.45	0.15%	1	135	0.74%	0.00%
621999	All Other Miscellaneous Ambulatory Health Care Services	\$ 125,000.00	0.08%	5	181	2.76%	0.00%
811111	General Automotive Repair	\$ 69,586.51	0.05%	8	3950	0.20%	0.00%
811112	Automotive Exhaust System Repair	\$ 383,761.76	0.26%	0	93	0.00%	0.00%
811113	Automotive Transmission Repair	\$ 397,016.33	0.26%	2	275	0.73%	0.00%
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	\$ 380,448.11	0.25%	7	219	3.20%	0.01%
811121	Automotive Body, Paint, and Interior Repair and Maintenance	\$ 397,016.33	0.26%	9	1805	0.50%	0.00%
811122	Automotive Glass Replacement Shops	\$ 3,313.64	0.00%	1	244	0.41%	0.00%
811192	Car Washes	\$ 377,134.47	0.25%	10	1044	0.96%	0.00%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$ 15,000.00	0.01%	15	813	1.85%	0.00%
812331	Linen Supply	\$ 9,940.93	0.01%	2	60	3.33%	0.00%
926150	Regulation, Licensing, and Inspection of Miscellaneous Commercial Sectors	\$ 400,000.00	0.27%	0			0.00%

Work Item Total: \$150,177,593.00

Total DBE Work Amount 11.70%

X 80%

DBE Goal 9.36%

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, OCTA reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within OCTA's market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included OCTA's *Past DBE Goal Attainments*, Evidence from *Disparity Studies conducted in OCTA's market area*, and *Other Evidence*, as follows:

A. Past DBE Goal Attainments

The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by OCTA within the last three Federal Fiscal Years:

Table 3

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment
10%	FFY 2018*	34.1%
11%	FFY 2019	12.8%
11%	FFY 2020	11.0%
Past Attainments = 11%, 12.8% , 34.1% = 12.8% Median Participation		

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021

OCTA considered an adjustment to the Base Figure based on the median DBE participation on DOT-assisted contracts completed within the past three FFYs (2018/20). The median established for the past three years is higher than the Base Figure derived from Step 1; therefore, an adjustment to the Base Figure based on OCTA's past DBE goal participation has been made. As three years of DBE Participation data was reviewed and the years reviewed included projects with a similar variety in scope to the scopes projected for the 2022/24 period, OCTA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform in the 2022/24 overall goal period. The adjustment is calculated in accordance with FTA guidance by averaging the Base Figure with the Median DBE Past participation, as shown below.

$$9.36\% \text{ Base Figure} + 12.8\% \text{ Median Past Participation} = 22.16\%$$

$$22.16/2 = 11.08\%$$

Adjusted Base Figure: 11% (Rounded to the nearest whole number)

The formula resulted in an upward adjustment to the Base Figure from 9.36 percent to 11 percent.

B. Evidence from Disparity Studies***Barriers to Entry: Employment, Self Employment, Education and Training, Business Ownership Rates and Access to Capital***

As directed by FTA, OCTA reinstated race-conscious measures, coupled with race-neutral measures in April 2014 based on results received from the Southern California Regional Disparity Study, OCTA's analysis of its past utilization data and an examination of similar market area Disparity studies.

OCTA did not find it feasible to conduct a more recent independent availability/disparity study; however, OCTA identified two disparity studies, inclusive market areas like OCTA's, to consider whether a Race-Conscious DBE Program should continue to be implemented. The two identified disparity studies were the Caltrans Disparity Study and the Los Angeles County Metropolitan Transportation Authority (Metro) Disparity Study.

The first disparity study considered was that of the California Department of Transportation (Caltrans), completed in 2016 due to the timeliness of the contracts reviewed. The Caltrans Disparity Study reviewed Construction and Engineering contracts state-wide between January 1, 2011 to December 31, 2014. As the Caltrans' Disparity Study included thousands of contracts from areas outside of OCTA's market area, as well as projects that had no relation to the scopes included in the upcoming goal period, OCTA opted to not utilize this disparity study to apply an adjustment to their current race-neutral/race-conscious DBE application measures.

The second disparity study taken into consideration was Metro's Disparity Study due to the similarities in market area and timeliness of the contracts reviewed. Where the Caltrans Study market area included the entire state of California, the Metro Disparity Study focused on Los Angeles County which is more aligned with OCTA's market area. The Metro Disparity Study was initiated in November 2016 and included a five-year study period (January 1, 2011 through December 31, 2015) to determine any differences between the participation of minority- and woman-owned businesses in relevant contracts and the availability of those businesses to perform that work (referred to as *disparities*). Disparity analysis results indicated that most racial/ethnic and gender groups showed disparities on contracts where race- and gender-conscious measures were not in place during the study period. As a result, the disparity study recommended the use of contract DBE goals.

As Metro's Disparity Study satisfies the legal standards established by the Ninth Circuit Court of Appeals in *Western States Paving Co., Inc. v. Washington State Department of Transportation*, and guidance from the U.S. DOT/FTA concerning the implementation of race-conscious application, OCTA has elected to utilize this study as a basis for continuing to implement the race-conscious component of their Overall DBE goal. OCTA will ensure that the use of race-conscious goals is narrowly tailored and consistent with other relevant legal standards.

OCTA will continue to review applicable disparity studies as they become available and apply the appropriate adjustments to their Race-Neutral/Race-Conscious DBE goal application.

C. Other Evidence

OCTA did not receive any anecdotal evidence nor is it aware of any other factors or adverse considerations that would have had a material effect on DBEs availability within OCTA's marketplace, or on DBEs' ability to participate (meeting bonding, insurance, and financial requirements) in OCTA's FTA-assisted contracting programs at this time. However, as part of OCTA's 30-day period public facilitation process, it will request comments/input from industry groups both representing DBEs and non-DBEs to determine whether further consideration in making an adjustment is warranted. OCTA will also consider input received through disparity studies in OCTA's market area.

The Overall DBE Goal for FFY 2022/24 goal period for OCTA's FTA-assisted contracts is 11 percent.

The proposed goal further serves to identify the relative availability of DBEs based on evidence of ready, willing, and able DBEs to all comparable firms, which are known to be available to compete for and perform on OCTA's FTA-assisted contracts. The proposed goal reflects a determination of the level of DBE participation, which would be expected absent the effects of discrimination.

V. RACE-NEUTRAL/RACE-CONSCIOUS APPLICATION

OCTA reinstated race-conscious measures, coupled with race-neutral measures in April 2014 based on results received from the Southern California Regional Disparity Study, OCTA's analysis of its past utilization data and an examination of similar market area disparity studies.

A. Consideration of the Amount by which OCTA has Exceeded Goals in the Past

DOT has identified the amount a recipient has exceeded their overall goals in the past years as a useful tool in projecting the race/gender-neutral participation one can expect in future Federal Fiscal Years.

The following table reflects the demonstrated capacity of DBEs on FTA-assisted contracts completed by OCTA within the last three Federal Fiscal Years:

Table 4

Overall DBE Goal by Period	Federal Fiscal Year	DBE Attainment	% Goal Exceeded
10%	FFY 2018*	34.1%	24.1%
11%	FFY 2019	12.8%	1.8%
11%	FFY 2020	11.0%	0%
Median % Goals Exceeded by = 0%, 1.8%, 24.1% = 1.8%* Median Participation above			

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021

OCTA's Historical Past Participation above the DBE goal produced a median of 1.8 percent DBE Participation (as illustrated in the table above). As OCTA's historical DBE Participation exceeded the projected DBE goal valid during the attainment periods, it is reasonable to conclude that at least 1.8 percent of the FFY 2022/24 goal can be met race-neutrally.

OCTA intends to meet those goals to the maximum extent feasible through the race neutral measures described herein. Where race neutral measures are inadequate to meet the overall goal, OCTA will establish contract-specific DBE goals on U.S. DOT-assisted contracts with subcontracting opportunities and relative DBE availability.

OCTA may establish a DBE contract goal that is higher or lower than its overall goal, depending on such factors as the type of work involved, the location of the work, and the availability of DBEs for the work of the particular contract.

OCTA's contract goals will provide for participation by all certified DBEs and will not be subdivided into group-specific goals.

B. Past Participation by DBE Prime Contractors

DOT has identified that the amount of past participation obtained through the use of DBE primes should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period.

Therefore, OCTA considered the amount of past DBE participation (based on awards) obtained through the use of DBE primes in FFYs 2018, 2019 and 2020 below:

Table 5

FFY	Total Dollar Value Awarded to DBE Prime	Reporting Period	Total Dollar Value of Awarded Contracts
2018	\$ 1,791,307.00	10/1/17 - 03/31/18	\$ 4,426,893.00
	\$ 564,203.00	04/1/18 - 09/30/18	\$ 4,766,528.00
2019	\$ 5,719,711.00	10/1/18 - 03/31/19	\$ 37,486,779.00
	\$ 2,639,455.00	04/1/19 - 09/30/19	\$ 5,419,028.00
2020	\$ 203,400.00	10/1/19 - 03/31/20	\$ 12,031,519.00
	\$ 531,800.00	04/1/20 - 09/30/20	\$ 4,137,932.00
Total:	\$ 21,449,876.00		\$ 168,268,679.00
% DBE Prime Participation	Total Dollar Value Completed by DBE Prime (\$21,449,876) / Total Dollar Value of Completed Contracts (\$168,268,679) = 12.75% DBE Prime Participation		12.75%

OCTA found that 12.75 percent of the DBE participation during FFYs 2018 through 2020 was produced by the utilization of DBE primes. This value was developed by dividing the total dollars awarded to DBE Primes (\$21,449,876) by the total dollars awarded on all Primes contracts (\$168,268,679) within FFYs 2018 through 2020, as displayed in the table above. OCTA confirmed that the projects completed during FFYs 2018 through 2020 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As 12.75 percent DBE participation was achieved on like-projects during the attainment period reviewed OCTA concluded that this rate of DBE participation would be an accurate reflection of DBE prime capacity in the primary types of work projected to be performed in the coming overall goal period.

C. Consider Past Participation by DBE Subcontractors on Contracts without Goals

DOT has identified that the amount of past participation obtained through the use of DBE subcontractors on contracts without DBE goals should be considered achieved race/gender-neutrally and that those attainments can be used as a basis for estimating a similar level of race/gender-neutral participation in the next overall goal period. Therefore, OCTA considered the amount of past DBE subcontractor participation on contracts without DBE goals in FFYs 2018, 2019 and 2020 below:

Table 6

FFY	Total Dollar Value Awarded to DBE Subcontractors on RN Contracts	Reporting Period	Total Dollar Value of Awarded RN Prime Contracts
2018	\$ 4,469	10/1/17 - 03/31/18	\$ 1,791,307.00
	\$ 43,745	04/1/18 - 09/30/18	\$ 564,203.00
2019	\$0	10/1/18 - 03/31/19	\$ 15,719,711.00
	\$ 16,400	04/1/19 - 09/30/19	\$ 2,639,455.00
2020	\$ 40,460	10/1/19 - 03/31/20	\$ 203,400.00
	\$ 16,640	04/1/20 - 09/30/20	\$ 531,800.00
Total:	\$ 121,714		\$ 21,449,876.00
Total Dollar Value Awarded to DBE Subs (\$121,714) / Total Dollar Value Awarded on RN Prime Contracts (\$21,449,876) = 0.57%			.57% RN DBE Subcontract Participation

A DBE participation value of 0.57 percent was derived by the utilization of DBE firms in the Race-Neutral (RN) periods above. OCTA confirmed that the projects completed during FFYs 2018 through 2020 were similar to the types of projects being procured in the upcoming overall goal period, a required criterion for consideration in utilizing DBE prime participation to validate race-neutral application. As 0.57 percent DBE participation was achieved on like-projects during the attainment period reviewed OCTA concluded that this rate of DBE participation would be an accurate reflection of DBE subcontractor's capacity to perform race-neutrally in the 2022/24 overall goal period.

D. Consider MBE/WBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs.

OCTA monitors Small Business participation but does not currently track MBE/WBE/DBE participation on Race/Gender-Neutral or Local Programs. OCTA will consider methods of tracking this information in the future for use in considering the proper race/gender-neutral application.

E. Past History of Inability to Achieve Goals

DOT has identified that a recipient's past inability to meet their goals in the past years as a powerful indicator that the recipient may be justified in applying race-/gender-conscious measures to achieve their goals in future FFY. The following table below reflects the demonstrated capacity of DBEs (measured by historical DBE participation) on FTA-assisted contracts awarded by OCTA within the last three FFY:

Table 7

Overall DBE Goal by Period	FFY	DBE Attainment	% Below DBE Goal
10%	FFY 2018*	34.1%	0%
11%	FFY 2019	12.8%	0%
11%	FFY 2020	11.0%	0%

*FFY 2021 still in progress as of the date of methodology preparation, so FFY 2018 was used in lieu of FFY 2021

OCTA's historical DBE participation did not produce a shortfall in OCTA's ability to meet goals in Federal Fiscal Years 2018 through 2020. Considering that OCTA's median rate for exceeding the DBE goal is 1.8 percent, that OCTA was able to achieve 12.75 percent in race-neutral participation from DBE Primes on like projects, and that OCTA achieved 0.57 percent in race-neutral DBE subcontractor participation, OCTA added the three race-neutral percentages together and divided that number by three to find the average race-neutral participation.

As three years of DBE Participation data was reviewed for projects with similar scopes and values to the projects in the upcoming goal period, OCTA can reasonably assume that the rates of DBE participation reflected are an accurate reflection of DBE capacity to perform race-neutrally in the 2022/24 overall goal period. OCTA has applied this to the proposed DBE Goal to project the necessary race-conscious/race-neutral breakout, as illustrated below:

% Goals Exceeded in Past = 1.8%

RN DBE Prime Participation = 12.75%

RN DBE Sub Participation = .57%

1.8% (% Goals Exceeded in Past) + 12.75% (RN DBE Prime Participation) + .57% (RN DBE Sub Participation) =15.12%

15.12% / 3 = 5.04% (Average RN Participation)

5% RN Projection (Rounded to the nearest whole number)

DBE Goal: 11%

RN Application 5% / RC Application 6%

Consistent with the FTA guidance provided, and the reasons delineated above, OCTA has found it advisable to implement the race-neutral/race-conscious breakout illustrated above to meet the proposed Overall DBE Goal of 11% in accordance with 49 CFR Part 26.51.

F. Monitor DBE Participation to Determine Whether an Adjustment to the Use of Race/Gender-Conscious Measures is Necessary

OCTA will continue to monitor its DBE participation during the overall goal period to determine whether the application of OCTA’s race-neutral/race-conscious measures to meet the proposed Overall DBE Goal of 11 percent remains on target. OCTA will adjust the application of race/gender-neutral and race/gender-conscious measures, as necessary to ensure OCTA meets the maximum feasible portion the overall goal by using race/gender-neutral means of facilitating DBE participation.

VI. PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within OCTA’s market area will be consulted and provided an opportunity to review OCTA’s goal analysis and provide input.

OCTA will issue a Public Notice, publishing OCTA’s Proposed Overall Goal for the FFYs 2022/24. The Notice will inform the public that the proposed goal and rationale are available for inspection at OCTA’s CAMM NET website for 30 days following the date of the Public Notice and that OCTA will accept comments on the goal analysis for 30 days from the date of the Public Notice.

Furthermore, OCTA consults and will continue to consult with minority groups and organizations year-round via event attendance and facilitation to directly solicit the public in-person regarding input they have on DBE opportunities and any real and/or perceived barriers to DBE participation.

Staff has initiated the public participation process. This includes the following: 1) sending the proposed goal and methodology to local/ethnic chambers of commerce and other business/community organizations in OCTA's market area; 2) participating in targeted outreach events to provide these organizations, their members/constituents, and OCTA bidders/vendors/contractors with the opportunity to comment and/or offer feedback on the proposed goal or input regarding barriers to DBE participation; 3) advertising the goal (via a public notice) on OCTA's website and 4) including, in the public notice, instructions for viewing and/or providing feedback on the proposed goal and methodology.

To further support the public participation process, OCTA hosted a virtual Public Consultation Meeting. This meeting was designed to facilitate receiving input from OCTA's contracting community, stakeholders, which include minority and women business groups, community organizations, trade associations and other officials or organizations that may have information concerning the availability of disadvantaged businesses and comments on OCTA's proposed DBE overall goal and corresponding methodology.

After completion of the public participation process, staff will consider any feedback as a factor in making a further adjustment to the goal. If the goal percentage changes from the proposed 11% staff will return to the Board for approval of the adjusted goal and will then submit the goal and methodology to the FTA.